

DEPARTMENT OF THE TREASURY

TREASURY



NEWS

OFFICE OF PUBLIC AFFAIRS • 1500 PENNSYLVANIA AVENUE, N.W. • WASHINGTON, D.C. • 20220 • (202) 622-2960

EMBARGOED UNTIL 11:00 A.M.
November 21, 2005

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202/504-3550

TREASURY OFFERS 2-YEAR NOTES

The Treasury will auction \$20,000 million of 2-year notes to refund \$25,348 million of publicly held notes maturing November 30, 2005, and to pay down approximately \$5,348 million.

In addition to the public holdings, Federal Reserve Banks hold \$6,856 million of the maturing notes for their own accounts, which may be refunded by issuing an additional amount of the new security.

Up to \$1,000 million in noncompetitive bids from Foreign and International Monetary Authority (FIMA) accounts bidding through the Federal Reserve Bank of New York will be included within the offering amount of the auction. These noncompetitive bids will have a limit of \$100 million per account and will be accepted in the order of smallest to largest, up to the aggregate award limit of \$1,000 million.

Note: The closing times for receipt of noncompetitive and competitive tenders will be at 11:00 a.m. and 11:30 a.m. eastern standard time, respectively.

Treasury Direct customers have scheduled purchases of approximately \$476 million into the 2-year note.

The auction will be conducted in the single-price auction format. All competitive and noncompetitive awards will be at the highest yield of accepted competitive tenders. The allocation percentage applied to bids awarded at the highest yield will be rounded up to the next hundredth of a whole percentage point, e.g., 17.13%.

The notes being offered today are eligible for the STRIPS program.

This offering of Treasury securities is governed by the terms and conditions set forth in the Uniform Offering Circular for the Sale and Issue of Marketable Book-Entry Treasury Bills, Notes, and Bonds (31 CFR Part 356, as amended).

Details about the new security are given in the attached offering highlights.

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Attachment

HIGHLIGHTS OF TREASURY OFFERING TO THE PUBLIC OF
2-YEAR NOTES TO BE ISSUED NOVEMBER 30, 2005

November 21, 2005

Offering Amount.....\$20,000 million
Maximum Award (35% of Offering Amount).....\$ 7,000 million
Maximum Recognized Bid at a Single Yield.....\$ 7,000 million
NLP Reporting Threshold.....\$ 7,000 million

Description of Offering:

Term and type of security.....2-year notes
Series.....X-2007
CUSIP number.....912828 EP 1
Auction date.....November 23, 2005
Issue date.....November 30, 2005
Dated date.....November 30, 2005
Maturity date.....November 30, 2007
Interest rate.....Determined based on the highest
accepted competitive bid
Yield.....Determined at auction
Interest payment dates.....May 31, and November 30
Minimum bid amount and multiples.....\$1,000
Accrued interest payable by investor.....None
Premium or discount.....Determined at auction

STRIPS Information:

Minimum amount required.....\$1,000
Corpus CUSIP number912820 ML 8
Due date(s) and CUSIP number(s)
for additional TINT(s).....November 30, 2007 - - 912833 4K 3

Submission of Bids:

Noncompetitive bids:

Accepted in full up to \$5 million at the highest accepted yield.

Foreign and International Monetary Authority (FIMA) bids:

Noncompetitive bids submitted through the Federal Reserve Banks as agents for FIMA accounts. Accepted in order of size from smallest to largest with no more than \$100 million awarded per account. The total noncompetitive amount awarded to Federal Reserve Banks as agents for FIMA accounts will not exceed \$1,000 million. A single bid that would cause the limit to be exceeded will be partially accepted in the amount that brings the aggregate award total to the \$1,000 million limit. However, if there are two or more bids of equal amounts that would cause the limit to be exceeded, each will be prorated to avoid exceeding the limit.

Competitive bids:

- (1) Must be expressed as a yield with three decimals, e.g., 7.123%.
- (2) Net long position (NLP) for each bidder must be reported when the sum of the total bid amount, at all yields, and the net long position equals or exceeds the NLP reporting threshold stated above.
- (3) Net long position must be determined as of one-half hour prior to the closing time for receipt of competitive tenders.
- (4) Competitive bids from Treasury Direct customers are not allowed.

Receipt of Tenders:

Noncompetitive tenders:

Prior to 11:00 a.m. eastern standard time on auction day

Competitive tenders:

Prior to 11:30 a.m. eastern standard time on auction day